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EDWARD M. WOODWARD, SR.

(1921-2000)

September 16, 2005

The Honorable Charles L. A. Terreni  
Executive Director  
Public Service Commission of South Carolina  
Post Office Drawer 11649  
Columbia, SC 29211

**HAND DELIVERED**

Re: Petition of MCImetro Access Transmission Services, LLC for Arbitration with Horry  
Telephone Company, under the Telecommunications Act of 1996  
Case No. 2005-188-C  
Our File No. 05-7024

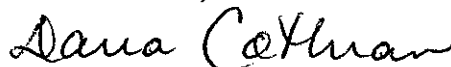
Dear Mr. Terreni:

Enclosed for filing are an original and twenty-six copies of Rebuttal Testimony of Greg Darnell. Would you please file the original, returning a clocked copy to me in the envelope provided.

By copy of this letter I am all parties of record, by mail and electronically. Thank you for your assistance.

Very truly yours,

WOODWARD, COTHRAN & HERNDON



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DWC/bjd  
Enclosures.

cc: Joseph Melchers, Esquire  
Patrick Turner, Esquire  
Margaret M. Fox, Esquire  
John M. Bowen, Jr., Esquire  
Florence P. Belser, Esquire  
Shannon Bowyer Hudson, Esquire  
Frank R. Ellerbe, III, Esquire  
Bonnie D. Shealy, Esquire

**BEFORE THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION**

In Re: Petition of MCImetro Access Transmission )  
Services, LLC for Arbitration of Certain Terms ) Case No. 2005-188-C  
and Conditions of Proposed Agreement with )  
Horry Telephone Company, Concerning )  
Interconnection and Resale under the )  
Telecommunications Act of 1996 )

**REBUTTAL TESTIMONY OF GREG DARNELL**

**on behalf of**

**MCImetro Access Transmission Services, LLC**

**September 16, 2005**

1

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Greg Darnell, and my business address is 6 Concourse Parkway,  
4 Atlanta, Georgia, 30328.

5 **Q. DID YOU FILE DIRECT TESTIMONY IN THIS PROCEEDING ON**  
6 **BEHALF OF MCIMETRO ACCESS TRANSMISSION SERVICES, LLC**  
7 **(“MCI”)?**

8 A. Yes.

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

10 A. On September 2, 2005, Mr. Douglas Duncan Meredith and Ms. Valerie Wimer of  
11 John Staurulakis, Inc. (“JSI”) filed direct testimony in this proceeding on behalf of  
12 Horry Telephone Cooperative, Inc. (“Horry”). This testimony rebuts many of the  
13 assertions made in JSI’s direct testimony.

14

15 I have grouped my rebuttal testimony into the following categories:

16 a) Issues concerning the law governing the agreement, the definitions to be used in  
17 the agreement, and the extent to which the purpose or scope of the agreement  
18 should be limited. As well as issues concerning number portability. Issues #2,  
19 #4(a), #7 and #9.

20 b) Issues concerning calling party identification information. Issues #1, #6 and #8.

21 c) Issues regarding the compensation for “virtual NXX” codes for ISP-bound  
22 traffic, and for “out-of-balance” traffic. Issues #3, #4(b), #5 and #10.

23

1    **Q.    WHAT FOUNDATIONAL QUESTION IS RAISED BY THIS**  
2           **ARBITRATION THAT SHOULD TROUBLE THE SOUTH CAROLINA**  
3           **PUBLIC SERVICE COMMISSION (“COMMISSION”)?**

4    A.    The foundational question that should trouble the Commission is, why are we having  
5           this arbitration? As I stated in my direct testimony, MCI has been able to reach  
6           negotiated agreements with approximately thirty (30) independent ILECs (“ICOs”)  
7           all over the country, and here in South Carolina, for the interconnection services it  
8           needs to fulfill its obligations to Time Warner Cable Information Service (“Time  
9           Warner Cable” or “TWCIS”). As will be further explained in the following, MCI is  
10          asking for things that Horry already provides itself and other LECs. As such, there  
11          is no justifiable reason why Horry should not agree to what MCI has requested. This  
12          arbitration should not be necessary.

13  
14   **Q    MR. MEREDITH MAKES A STATEMENT IN THE INTRODUCTION TO**  
15           **HIS TESTIMONY THAT THE ISSUES IN THIS PROCEEDING HAVE**  
16           **“THE POTENTIAL TO SEVERELY IMPACT THE OPERATIONS AND**  
17           **ECONOMIC VIABILITY OF HORRY” AND COULD HAVE A**  
18           **“DEVASTATING IMPACT ON THE ABILITY OF RURAL CARRIERS**  
19           **LIKE HORRY TO CONTINUE TO PROVIDE UNIVERSALLY**  
20           **AVAILABLE LOCAL EXCHANGE SERVICE AT AFFORADABLE**  
21           **RATES”. HAS HORRY CLAIMED A “RURAL EXEMPTION” TO THE**  
22           **INTERCONNECTION REQUIREMENTS OF THE ACT?**

23   A.    No. While Mr. Meredith makes gratuitous and unsubstantiated statements in an

1 attempt to characterize Horry as a struggling "rural" carrier, Horry has not even  
2 requested an exemption available to rural carriers provided for by Section 251(f) of  
3 the Telecommunications Act of 1996 ("Act"). Consequently, Mr. Meredith's  
4 statements in this regard are irrelevant and should be disregarded.

5  
6 **Q. HAS HORRY PUT FORTH ANY EVIDENCE THAT THE REQUESTS**  
7 **MADE BY MCI IN THIS PROCEEDING WILL HARM HORRY'S**  
8 **FINANCIAL VIABILITY?**

9 A. No. No evidence has been presented in this proceeding concerning Horry's financial  
10 viability or the effect that interconnection with MCI may have on Horry's financial  
11 viability.

12  
13 **Q. WHY HASN'T ANY EVIDENCE BEEN PRESENTED IN THE**  
14 **PROCEEDING CONCERNING THE FINANCIAL VIABILITY OF**  
15 **HORRY?**

16 A. The inference is that financial evidence would not support Mr. Meredith's  
17 characterization that Horry has the problems that are typically associated with being  
18 a "rural" carrier. By making a rhetorical claim of financial hardship without  
19 providing any financial data, it is apparent that Horry seeks the regulatory protection  
20 provided to rural carriers without acceding to the accompanying regulatory financial  
21 oversight. This situation would be the best of both worlds for an incumbent LEC,  
22 but would be defective public policy if permitted by the Commission.

1   **Q.    IS HORRY WHAT YOU WOULD CALL A RURAL CARRIER?**

2   A.    No.

3

4   **Q.    WHY WOULDN'T YOU CALL HORRY A "RURAL" CARRIER?**

5   A.    Not only has Horry not claim any rural exemption, but the socially-conscious  
6       provisions that are afforded rural carriers in the Act exist because there was a policy  
7       decision that if the cost to provide service is high and the household income of the  
8       territory is low it may not be financially viable for LECs to offer service throughout  
9       certain territories (i.e. universally) at an affordable price.   This is what I call the  
10      universal service equation.

11

12       The primary conditions that cause high per-unit telecommunications service cost are  
13       low population density and mountainous terrain. According to the South Carolina  
14       Budget and Control Board, Office of Research and Statistics ("SC Office of  
15       Research and Statistics"), Horry County ranks 10 highest in the state out of 46  
16       counties in population density,<sup>1</sup> and has no mountains. Therefore, Horry's territory  
17       does not have either of the two conditions that cause high per-unit  
18       telecommunications cost. Thus, I conclude that Horry's territory is a relatively low-  
19       cost area on a per-unit basis.

20

21       Looking at the income side of the universal service equation, according to the SC  
22       Office of Research and Statistics, the median family income for Horry territory is  
23       \$50,650 per year. While this figure is slightly below the South Carolina statewide

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<sup>1</sup> See Exhibit GJD-2.

1 average of \$52,250, it is nowhere near the \$32,450 median family income for  
2 Allendale County, South Carolina. On this basis alone, I conclude that Horry's  
3 territory is not what would be considered low-income. As such, Horry's territory is  
4 not high-cost and is not low-income and therefore, it does not have rural carrier  
5 characteristics that are the foundation for the Act's rural exemption and universal  
6 service concerns.

7  
8 In addition, the SC Office of Research and Statistic's figures for Horry County  
9 family income may not include the transient income generated by the many vacation  
10 homes and condos in Horry territory. I have been to Conway, Murrells Inlet, Myrtle  
11 Beach, North Myrtle Beach and Socastee many, many times during the summer and  
12 winter. It is my observation that the transient population of Horry territory is not  
13 poor but is wealthier than the local population, and makes up a very significant  
14 percentage of the average population for this territory. As such, the SC Office of  
15 Research and Statistic's family income figures may understate the income side of the  
16 universal service equation for Horry territory and that territory may be even  
17 financially better off than the statistics suggest.

18  
19 Further, according to the websites of Horry and its affiliate, Spirit Telecom,<sup>2</sup> it is  
20 apparent that Horry has been financially able to make investments in cutting-edge  
21 technologies such as fiber-to-the-home, cable TV and VoIP services without  
22 intervention of this Commission or other regulatory agencies.

23  

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<sup>2</sup> See Exhibit GJD-3.

1           Consequently, setting Mr. Meredith's rhetorical statements aside, neither Horry's  
2           pleadings nor concrete evidence supports the conclusion that Horry requires  
3           regulatory protection in this regard.

4  
5       **A.       HORRY'S PROPOSED RESTRICTIONS ON MCI LOCAL SERVICES**

6  
7                               **ISSUE #2**

8  
9       **Issue:**               Should End User Customer be defined as only customers  
10                              directly served by the Parties to the contract? (GT&C,  
11                              Glossary, section 2.17)

12  
13       **MCI position:**       No. End User Customers may be directly or  
14                              indirectly served. The Act expressly permits either  
15                              direct or indirect service. (See Issue No. 4 (a)).

16  
17       **ILEC position:**      MCI must be providing service directly to End Users  
18                              physically located in the LATA. No law says Horry cannot  
19                              limit interconnection agreements to non-wholesale  
20                              arrangements. (See Issue No. 4 (b)).

21  
22       **Disputed Language:** A retail business or residential end-user subscriber  
23                              to Telephone Exchange Service provided directly or  
24                              indirectly by either of the Parties.

25  
26                               **ISSUE #4 (a)**

27  
28       **Issue:**               Should MCI have to provide service (a) only directly to  
29                              end users? (Interconnection, section 1.1)

30  
31       **MCI position:**       (a) No. End User Customers may also be indirectly served  
32                              by the Parties through resale arrangements. The Act  
33                              requires both Parties to the contract to allow resale. The  
34                              same "directly or indirectly" language is used in section  
35                              2.22 of Horry's model contract for defining interexchange  
36                              customers. Thus Horry does not attempt to limit the resale  
37                              ability of interexchange carriers, and there is no reason why  
38                              it should try to do so regarding local exchange.  
39



1           **ILEC position:**       MCI must be providing service directly to End  
2                                   Users physically located in the LATA. No law says  
3                                   Horry cannot limit interconnection agreements to  
4                                   non-wholesale arrangements.       Also, the  
5                                   Commission's rulings on "virtual NXX traffic"  
6                                   apply to ISP-bound traffic too. The FCC's ISP  
7                                   Remand Order never discussed ISP FX arrangement  
8                                   specifically so Horry does not believe the FCC's  
9                                   compensation regime for ISP-bound traffic applies.  
10

11           **Disputed Language:** This Interconnection Attachment sets forth specific terms  
12                                   and conditions for network interconnection arrangements  
13                                   between ILEC and CLEC for the purpose of the exchange  
14                                   of IntraLATA Traffic that is originated by an End User  
15                                   Customer of one Party and is terminated to an End User  
16                                   Customer of the other Party, **where each Party directly**  
17                                   **provides Telephone Exchange Service to its End User**  
18                                   **Customers physically located in the LATA.** This  
19                                   Agreement also addresses Transit Traffic as described in  
20                                   Section 2.2 below. This Attachment describes the physical  
21                                   architecture for the interconnection of the Parties facilities  
22                                   and equipment for the transmission and routing of  
23                                   Telephone Exchange Service traffic between the respective  
24                                   End User Customers of the Parties pursuant to the Act.  
25

#### 26                                   **ISSUE #7**

27  
28           **Issue:**               Does the contract need the limit of "directly provided"  
29                                   when other provisions discuss transit traffic, and the issue  
30                                   of providing service directly to end users also is debated  
31                                   elsewhere? (Interconnection, section 3.1)  
32

33           **MCI position:**       No. This language is unnecessary and confusing in light of  
34                                   other provisions of the contract.  
35

36           **ILEC position:**     Yes. Horry wants to make clear that this contract is  
37                                   only for traffic directly exchanged between the  
38                                   parties' directly served End Users.  
39

40           **Disputed Language:** Dedicated facilities between the Parties' networks shall be  
41                                   provisioned as two-way interconnection trunks, **and shall**  
42                                   **only carry IntraLATA traffic originated or terminated**  
43                                   **directly between each Parties End User Customers.** The  
44                                   direct interconnection trunks shall meet the Telcordia BOC  
45                                   Notes on LEC Networks Practice No. SR-TSV-002275

1

2 Q. MR. MEREDITH CONTENDS THAT "THE CARRIER DIRECTLY  
3 SERVING THE END USER IS THE ONLY CARRIER ENTITLED TO  
4 REQUEST INTERCONNECTION FOR THE EXCHANGE OF TRAFFIC  
5 UNDER SECTION 251." (MEREDITH DIRECT TESTIMONY, p. 5) IS  
6 THIS CONTENTION SUPPORTED BY THE LANGUAGE OF SECTION  
7 251 OF THE ACT?

8

9 A. No. Contrary to Mr. Meredith's contention, Section 251 of the Act specifically  
10 requires LECs to interconnect for the purpose of exchanging indirectly-originated  
11 and terminated traffic. As such, carriers besides those directly connected to  
12 customers are entitled to request interconnection from ILECs for the exchange of  
13 traffic under section 251.

14

15 Q. MR. MEREDITH ARGUES THAT CARRIERS ARE REQUIRED BY  
16 SECTION 251(A) OF THE ACT TO INTERCONNECT WITH CARRIERS  
17 INDIRECTLY BUT ARE NOT REQUIRED TO ACCEPT TRAFFIC  
18 FROM CARRIERS THAT ARE INDIRECTLY CONNECTED.  
19 (MEREDITH, P. 6) IS THIS ARGUMENT CREDIBLE?

20 A. No. Mr. Meredith is saying that the Act requires LECs to construct facilities to  
21 physically connect each other for the purpose of indirect interconnection, but  
22 LECs are not required to accept any traffic from the carriers that are indirectly  
23 interconnected. So, under Mr. Meredith's reading of the Act, carriers must spend

1 money to build facilities for indirect interconnection, but those facilities don't  
2 have to be used. This is obviously a convoluted reading of the Act. There would  
3 be no point in requiring carriers to build interconnection facilities for the purpose  
4 of indirect interconnection if carriers are not also required to accept traffic from  
5 the carriers that are indirectly interconnected. One must conclude that the  
6 "indirect" provision contained in section 251(a) has meaning. As such, it must be  
7 concluded that the "indirect" provision in section 251(a) requires that carriers  
8 accept traffic from carriers that are indirectly interconnected.

9  
10 **Q. MR. MEREDITH ARGUES THAT THE ACT INTENDED ALL LECS TO**  
11 **BE DIRECTLY CONNECTED. (MEREDITH, p. 4, line 15, p.7, line 20, p.**  
12 **11, line 6) WAS IT THE INTENT OF THE ACT THAT ALL LECS BE**  
13 **DIRECTLY CONNECTED?**

14 **A.** No. A requirement for all LECs to be directly connected would not be consistent  
15 with the proclaimed pro-competition intent of the Act and would not be consistent  
16 with how the telecommunications industry operated in 1995 when the Act was  
17 being written, or how the telecommunications industry operates now.

18  
19 **Q. WOULD A REQUIREMENT FOR ALL LECS TO BE DIRECTLY**  
20 **CONNECTED WITH EACH OTHER BE CONSISTENT WITH THE**  
21 **STATED PRO-COMPETITIVE PURPOSE OF THE ACT?**

1    A.    No.    Stating what should be the obvious, you can't have competition in a  
2           monopolized market without new entrants.  If prospective new entrants are put at  
3           a cost disadvantage to the incumbent market participants, new entry will not occur  
4           and the Act's pro-competition intent cannot be achieved.

5  
6           There are economies of scale in the telecommunications business.  This means as  
7           traffic volume in a given location to a given market participant increases, per-unit  
8           cost decreases.  Indirect interconnection permits carriers to centralize their  
9           switching facilities and aggregate traffic on larger trunk groups.  This permits, and  
10          has permitted, new entrants all over the country to garner some of the economies  
11          of scale available to the incumbent providers and reduce the per-unit cost they  
12          face.  Absent indirect interconnection, new entrants would not be able to obtain  
13          these economies of scale and would be put at a significant cost disadvantage to  
14          the incumbent market participants.  Therefore, it would be unlikely that market  
15          entry would occur absent indirect interconnection and, as I stated before, you  
16          can't have competition in a previously monopolized market without new entrants.  
17          Horry's position, that interconnection for the purpose of exchanging indirectly  
18          generated traffic is not required by the Act, would thwart the pro-competitive  
19          intent of the Act and therefore cannot be correct.

20  
21    **Q.    WOULD A REQUIREMENT FOR ALL LECs TO BE DIRECTLY**  
22    **CONNECTED WITH EACH OTHER BE CONSISTENT WITH HOW**

1           **THE TELECOMMUNICATIONS INDUSTRY OPERATED WHEN THE**  
2           **ACT WAS WRITTEN, AND NOW?**

3    A.    No. In 1995, when the Act was written, BellSouth provided Horry with indirect  
4           interconnection with MCI. In 1995, BellSouth also provided Horry with indirect  
5           interconnection to many other Local Exchange Carrier ("LECs") and  
6           Interexchange Carriers ("IXCs"). Today, BellSouth still provides Horry with  
7           indirect interconnection to MCI, and to many other IXCs and LECs. BellSouth  
8           provided in 1995 and provides now, a financially beneficial role for all parties by  
9           facilitating indirect interconnection and aggregating traffic in order to obtain  
10          increased economies of scale and lower per-unit cost.

11  
12         Absent indirect interconnection, each customer and each carrier would have to  
13         connect with each and every other customer and carrier (e.g. try to envision a  
14         multicolored spider web of strings tied to cans and strung between all houses and  
15         all providers of service with each color of string representing a different carrier).  
16         The whole point of the many different network engineering designs is to find  
17         ways through indirect connections to aggregate traffic and garner economies of  
18         scale to the maximum extent possible. Horry's position that the Act does not  
19         require carriers to connect for the purpose of indirect interconnection is absurd  
20         from a public policy perspective and from an engineering perspective. MCI's  
21         position, that the Act requires carriers to connect for the purpose of exchanging  
22         indirectly generated traffic is consistent with the pro-competitive intent of the Act,  
23         consistent with the stated language of the Act, consistent with basic engineering

1 principles, and consistent with how the telecommunications operated in 1995 and  
2 how it operates today.

3

4 **Q. DOES THE PRECEDENT CITED BY MR. MEREDITH SUPPORT HIS**  
5 **INDIRECT TRAFFIC PROHIBITION ARGUMENT?**

6 A. No. At page 7 of Mr. Meredith's direct testimony he cites the FCC's Local  
7 Competition Order, paragraph 1034 in support of his argument that indirect  
8 interconnection was not intended by the Act.<sup>3</sup> This paragraph of the FCC's Local  
9 Competition Order concerns whether or not traffic from interexchange carriers  
10 that is handed off to LECs over interconnection facilities should be priced at  
11 access charges or whether TELRIC-based local reciprocal compensation rates  
12 should apply.

13

14 Interexchange carriers operate class 3 switches that are connected to class 4 and 5  
15 switches operated by local exchange carriers. Interexchange carrier networks are  
16 not directly connected to the customer. An interexchange carrier's network is  
17 indirectly connected to the customer through its connection with a local exchange  
18 carrier. As such, interexchange carrier traffic is "indirect" traffic. So, by  
19 definition, this paragraph of the FCC's Local Competition Order assumes that  
20 indirect traffic carried by interexchange carriers will be exchanged over  
21 interconnection trunks. The only question being addressed in this paragraph of

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<sup>3</sup> *In re Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, CC Docket No. 96-98, FCC 96-325 ("Local Competition Order").

1 the FCC's Local Competition Order is how that type of indirect traffic should be  
2 priced. The FCC's Local Competition Order does not support Mr. Meredith's  
3 position that the exchange of indirect traffic over interconnection facilities is not  
4 intended by the Act. Moreover, the FCC's Local Competition Order explicitly  
5 recognizes that indirect traffic (i.e. traffic from interexchange carriers) can and  
6 will be exchanged over interconnection facilities, and supports MCI's position.

7  
8 **Q. PLEASE ADDRESS THE OTHER PRECEDENT MR. MEREDITH CITES**  
9 **TO PURPORTEDLY SUPPORT HIS ARGUMENT THAT INDIRECT**  
10 **TRAFFIC NEED NOT BE EXCHANGED OVER INTERCONNECTION**  
11 **FACILITIES.**

12 Q. At page 9 of Mr. Meredith's direct testimony he cites the Virgin Island Telephone  
13 decision as support for his argument.<sup>4</sup> The Virgin Island case concerns whether  
14 or not Virgin Island Telephone was required to interconnect with a private carrier.

15  
16 In this proceeding before the Commission, MCI is not a private carrier and is not  
17 requesting private carriage. MCI will offer its services, including those it is  
18 providing to TWCIS, to any similarly-situated party that wishes to buy them on  
19 equal rates, terms and conditions. As such, the Virgin Island Telephone case is  
20 not relevant to the issues in this proceeding.

21  

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<sup>4</sup> Virgin Islands Telephone Corporation v. FCC, 198 F3d 921 (D.C. Cir. 1999) ("Virgin Islands").

1    **Q.     AT PAGE 21 OF HIS DIRECT TESTIMONY MR. MEREDITH CITES A**  
2           **D.C. CIRCUIT COURT DECISION (TOTAL TELECOMMUNICATIONS**  
3           **SERVICES, INC. & ATLAS TELEPHONE COMPANY VERSUS AT&T**  
4           **("ATLAS")) AS SUPPORT FOR HIS ARGUMENTS. IS THIS DECISION**  
5           **RELEVANT TO THE ISSUES IN THIS ARBITRATION?**

6    A.    No.    The Atlas case involved a sham established for the purpose of increasing  
7           access revenues. In that case the President of Atlas Telephone Company, Inc.  
8           created a company called Total Telecommunications Services, Inc. ("Total"), of  
9           which he was chairman. Total was created to impose increased access charges on  
10          carriers for calls made to Audiobridge of Oklahoma, Inc. ("Audiobridge").  
11          Audiobridge was Total's only customer and Total had a revenue-sharing (i.e.  
12          kick-back) agreement in which Total would pay Audiobridge a percentage of the  
13          access revenue it created. Audiobridge set up a chat room on the end of its lines  
14          to purposely drive up traffic volume, drive up Total's terminating access charges  
15          and drive up the revenue Total could obtain and then share with Audiobridge.

16

17          MCI's relationship with TWCIS is not a sham business and the Atlas case is in no  
18          way relevant to the issues in this proceeding.

19

20   **Q.     MR. MEREDITH CITES AN IOWA PUBLIC UTILITIES BOARD**  
21           **DECISION IN SUPPORT OF HIS ARGUMENT. WHAT IS YOUR**  
22           **COMMENT ON THIS DECISION?**



1 A. This is the only precedent cited by Mr. Meredith that actually supports his  
2 argument. In that case, the Iowa Public Utilities Board ("IPUB") simply made an  
3 erroneous decision. The Commission should not make the same mistake the  
4 IPUB made. Instead, the Commission should apply logic and reason and look at  
5 the other decisions made in support of logic and reason.<sup>5</sup> As stated by the Illinois  
6 Commerce Commission, "we respectfully disagree with IPUB's interpretation".<sup>6</sup>

7  
8 **Q. AT PAGE 11 OF HIS DIRECT TESTIMONY MR. MEREDITH STATES**  
9 **THAT THE DECISIONS OF THE ILLINOIS AND NEW YORK**  
10 **COMMISSION'S "ARE NOT CONTROLLING". WHAT IS YOUR**  
11 **RESPONSE TO THIS STATEMENT?**

12 A. Mr. Meredith is not a lawyer and has no foundation for making a legal claim that  
13 precedent is or is not controlling. He could have just as easily observed that the  
14 IPUB's decision is not controlling. Mr. Meredith's legal opinions should be  
15 disregarded.

16

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<sup>5</sup> State of Illinois Commerce Commission, Cambridge Telephone Company, et. al. in Petitions for Declaratory Relief and/or Suspensions for Modification Relating to Certain Duties under §§ 251(b) and (c) of the Federal telecommunications Act, pursuant to Section 251(f)(2) of that Act, and for any other necessary of appropriate relief, No. 05-0259-0265,-0270,-0277, and -0298, Order (July 13, 2005). See also, FCC Local Competition Order; Petition of Sprint Communications Company L.P., Pursuant to Section 252(b) of the Telecommunications Act of 1996, for Arbitration to Establish an Intercarrier Agreement with Independent Companies, New York Public Service Commission, Case 05-C-0170, Order Resolving Arbitration Issues (May 18, 2005) ("ICC Decision"); and, In the Matter of the Application and Petition in Accordance with Section II.A.2.b of the Local Service Guidelines Filed by: The Champaign Telephone Co., Telephone Service Co., The Germantown Independent Telephone Company and Doylestown Telephone, Ohio Public Utilities Commission, Case No. 04-1494-TP-UNC, Order on Rehearing (April 13, 2005).

<sup>6</sup> ICC Decision at p. 12.

1   **Q.     AT PAGE 11 OF HIS DIRECT TESTIMONY MR. MEREDITH STATES**  
2       **THAT “HORRY WANTS TO HAVE A DIRECT RELATIONSHIP WITH**  
3       **EACH TELECOMMUNICATIONS CARRIER THAT ACTUALLY**  
4       **PROVIDES SERVICE TO THE END USER CUSTOMER”. WHAT IS**  
5       **YOUR RESPONSE TO THIS STATEMENT?**

6   **A.**   The fact that Horry wants to prohibit competition from intermediary carriers (e.g.  
7       such as MCI in its relationship with TWCIS) that would facilitate the  
8       development of local competition in Horry’s territory should not be surprising to  
9       anyone. It is to Horry’s financial benefit to restrict and control the development  
10      of local competition in its territory. A requirement that Horry have a direct  
11      relationship with each carrier that actually provides service to end user customers  
12      would permit Horry to restrict and control the development of local competition.  
13      It should be noted that Horry’s affiliate, Spirit Telecom, provides VoIP service to  
14      customers and that arrangement includes indirect interconnection with the Public  
15      Switched Telephone Network (“PSTN”).<sup>7</sup> As such, Horry already offers what  
16      MCI and TWCIS seek to offer and Horry already provides what they say MCI  
17      should not be permitted to provide.

18

19      Further, what Horry wants in this regard is not particularly relevant. The Act and  
20      the FCC orders implementing the Act require Horry to interconnect with MCI  
21      upon request for the purpose of exchanging “indirect” traffic. Further, MCI’s  
22      request serves the public interest by compensating Horry for all traffic exchanged.

---

<sup>7</sup> See Exhibit GJD-3 attached.

1 It would not be in the public interest to permit Incumbent LECs, such as Horry, to  
2 control the development of local competition within their territory.

3  
4 **Q. DO RURAL LECs ("RLECs") IN SOUTH CAROLINA HAVE**  
5 **INTERCONNECTION AGREEMENTS ("ICAs") WITH BELL SOUTH**  
6 **THAT ARE EXECUTED PURSUANT TO THE ACT AND PERMIT THE**  
7 **EXCHANGE OF INDIRECT TRAFFIC OVER INTERCONNECTION**  
8 **TRUNKS?**

9 A. Yes. Hargray Telephone, Home Telephone and PBT through affiliates all have  
10 ICAs with BellSouth that state that they were executed pursuant to the Act,  
11 including all of sections 251 and 252. These agreements can be found at  
12 [http://cpr.bellsouth.com/clec/docs/all\\_states/index7.htm](http://cpr.bellsouth.com/clec/docs/all_states/index7.htm) and, these agreements  
13 provide many of the same terms, conditions and protections that MCI is  
14 requesting in this arbitration.<sup>8</sup>

15  
16 **Q. DOES HORRY CLAIM INDIRECT INTERCONNECTION IS NOT**  
17 **IN THE PUBLIC INTEREST?**

18  
19 A. No. Horry never claims that MCI's request for direct and indirect  
20 interconnection is not in the public interest; nor is such a claim in Horry's  
21 response to MCI's petition.

22 **ISSUE #9**  
23

---

<sup>8</sup> See Exhibit GJD-4 attached.

1           **Issue:**                   Should the Parties be providing service directly to End  
2                                   Users to port numbers? (Number portability, section 1.1)  
3  
4           **MCI position:**       No. This is not required for any industry definition of  
5                                   LNP. MCI is certified to do LNP for the End Users that  
6                                   indirectly or directly are on its network. Concerns that  
7                                   some resellers may not be telecommunications carriers or  
8                                   must provide the same type telecommunications services  
9                                   provided prior to the port is an illegal limit on what entities  
10                                  MCI can provide wholesale telecommunications services.  
11                                  The FCC has even allowed IP-Enabled (VoIP) service  
12                                  providers to obtain numbers directly without state  
13                                  certification. See the FCC's CC Docket 99-200 order  
14                                  (Adopted: January 28, 2005 Released: February 1, 2005 )  
15                                  granting SBC Internet Services, Inc. (SBCIS) a waiver of  
16                                  section 52.15(g)(2)(i) of the Commission's rules. And  
17                                  MCI knows of no law requiring that the same type of  
18                                  Telecommunications Service provided prior to the port has  
19                                  to be provided. That is antithetical to the goals of  
20                                  competition.  
21  
22           **ILEC position:**      Horry believes that LNP can only be done for  
23                                   telecommunications providers directly serving end users.  
24                                   Horry added to first version prohibiting LNP for customers  
25                                   of MCI's wholesale telecommunications services a  
26                                   provision allowing resale buy only by telecommunications  
27                                   providers and only when same type of telecommunications  
28                                   services as provided before the port is involved.  
29  
30           **Disputed Language:** The Parties will offer service provider local number  
31                                   portability (LNP) in accordance with the FCC rules and  
32                                   regulations. Service provider portability is the ability of  
33                                   users of telecommunications services to retain, at the same  
34                                   location, existing telecommunications numbers without  
35                                   impairment of quality, reliability, or convenience when  
36                                   switching from one telecommunications carrier to another.  
37                                   **Under this arrangement, the new Telecommunications**  
38                                   **Service provider must directly provide Telephone**  
39                                   **Exchange Service or resell an end user local exchange**  
40                                   **service through a third party Telecommunications**  
41                                   **Service provider to the End User Customer porting the**  
42                                   **telephone number.** The dial tone must be derived from a  
43                                   switching facility that denotes the switch is ready to receive  
44                                   dialed digits. **In order for a port request to be valid, the**  
45                                   **End User Customer must retain their original number**  
46                                   **and be served directly by the same type of**

1                                    **Telecommunications Service subscribed to prior to the**  
2                                    **port.**  
3

4    **Q.    MS. WIMER IMPLIES AT PAGES 26 THROUGH 35 OF HER**  
5           **TESTIMONY THAT THERE MAY BE CERTAIN THINGS WRONG**  
6           **WITH THE WAY MCI PLANS ON PROVIDING LOCAL NUMBER**  
7           **PORTABILITY. WHAT IS YOUR RESPONSE TO THESE**  
8           **STATEMENTS?**

9    A.    It appears that JSI is dragging out every possible argument in an attempt to  
10           obstruct the development of competition in Horry territory. First, the fact that  
11           MCI has been able to reach negotiated agreements with over thirty (30) ICOs all  
12           over the United States regarding MCI's proposed number portability language  
13           should be proof enough that MCI's proposal in this regard is reasonable. There is  
14           no legitimate reason why Horry should not agree to MCI's proposed language.  
15           Second, Ms. Wimer cites no rule or law that prohibits MCI from providing  
16           number portability service for TWCIS. Third, Horry's own affiliate, Spirit  
17           Telecom, obtains and provides number portability for its VoIP service. And  
18           finally, Ms. Wimer's interpretation of the required service provider portability  
19           criteria would violate the spirit, intent and letter of the Act.

20   **Q.    DO YOU HAVE ANY ADDITIONAL COMMENTS TO MAKE ABOUT**  
21           **MS. WIMER'S STATEMENTS CONCERNING MCI'S PROVISION OF**  
22           **LOCAL NUMBER PORTABILITY?**

23   A.    Yes. First, Ms. Wimer states that "an argument can be made" that the way MCI  
24           plans to do number portability would violate what she characterizes as LNP

1 criteria because the same end user will not retain the number both before and after  
2 the port and "the same end user must retain the number before and after the port."  
3 (Wimer, p. 27) The way MCI and TWCIS, however, plan to do number  
4 portability, the same end user will retain the number both before and after the port  
5 and he or she will be in the same location before and after the port. In addition,  
6 Horry's affiliate, Spirit Telecom, offers service that is similar to the way MCI and  
7 TWCIS provide service as it permits the customer to maintain their local  
8 telephone number when service is switched from an ILECs circuit switched  
9 service to Spirit Telecom's VoIP service. As an aside, as we found in  
10 Commission Docket No. 2005-67-C, Hargray Telephone (i.e. another client of  
11 Ms. Wimer's) is providing service that violates Mr. Wimer's LNP criteria.  
12 Hargray's VoIP service permits end users to share telephone numbers and  
13 numbers are not associated with the pre-port location, but may become mobile.

14  
15 Next, Ms. Wimer suggests that "the end user must have telecommunications  
16 service before and after the port." Whether or not a TWCIS end user receives  
17 "telecommunications service" from that company is within the FCC jurisdiction  
18 and has not yet been determined. Thus the premise upon which Ms. Wimer's  
19 reaches her conclusion in this regard is flawed. Again, as stated above, Horry's  
20 affiliate, Spirit Telecom, is providing VoIP service that is comparable to the VoIP  
21 service TWCIS provides and Spirit Telecom is obtaining and providing number  
22 portability.

1 Finally, Ms. Wimer also suggests that "the end user must be switching from a  
2 telecommunications carrier to another telecommunications carrier." In this regard  
3 MCI is a telecommunications carrier and the end user is switching  
4 telecommunications service from one telecommunications carrier to another  
5 telecommunications carrier (i.e. from Horry to MCI). Conversely, it has not been  
6 determined if Horry is a telecommunications carrier when it or its affiliate offers  
7 VoIP services.

8  
9 Consequently, there are no rules or laws that prohibit MCI from doing what it  
10 proposes to do, and to adopt Horry's proposed language would violate that spirit,  
11 intent and letter of the Act. MCI's proposed language should be adopted.

12  
13 **Q. MS. WIMER STATES THAT AFTER THE PORT THE "CUSTOMER**  
14 **DOES NOT RECEIVE ANY TELECOMMUNICATIONS SERVICE".**  
15 **(WIMER, p. 29, line 5-6) IS THIS A TRUE STATEMENT?**

16 **A.** No. Again, whether or not TWCIS end user receives "telecommunications  
17 services" from that company is within the FCC's jurisdiction and has not been  
18 determined. Moreover, with the MCI/TWCIS arrangement, after the number is  
19 ported the end user customer receives Operator Service, E911 and LNP services  
20 from MCI; these are all "telecommunications services".

1   **Q.    MS WIMER ASSERTS THAT THERE IS A PUBLIC INTEREST REASON**  
2       **WHY MCI'S INTERCONNECTION AGREEMENT LANGUAGE FOR**  
3       **NUMBER PORTABILITY SHOULD BE REJECTED. (WIMER, P. 29)**  
4       **WHAT IS YOUR RESPONSE?**

5   A.   Ms. Wimer argues that it would be in the public interest to deny certain new  
6       entrants and new technologies number portability. It must be noted that Ms.  
7       Wimer does not argue that number portability should be denied to Horry's  
8       affiliate, Spirit Telecom. Ms. Wimer only argues that number portability should  
9       be denied to new entrants that are unaffiliated with the companies that employ  
10      her.

11  
12      Denying number portability to certain new entrants, as Ms. Wimer requests,  
13      would not be in the public interest. Denying number portability, would  
14      discourage the development of new technologies and hamper the development of  
15      competitive alternatives for end users in South Carolina. In essence, Ms. Wimer  
16      asks the Commission to discriminate against services of MCI and TWCIS in favor  
17      of the services of Horry and Spirit Telecom. While this action would be in the  
18      private interest of Ms. Wimer's clients, it would not be in the public interest. Ms.  
19      Wimer has confused the "private interest" of her clients with the "public interest".  
20      The "public interest" would be served by making number portability available to  
21      all new entrants and technologies.

22



1    **Q.    DOES MS. WIMER ACKNOWLEDGE THAT THE FCC'S SBC**  
2       **INTERNET SERVICE, INC. ("SBCIS") DECISION PERMITS VOIP**  
3       **SERVICE PROVIDERS TO PARTICIPATE IN NUMBER**  
4       **PORTABILITY? (WIMER, P. 30)**

5    **A.**    Yes, and as I stated in my direct testimony SBCIS in its waiver request asked for  
6       more than what MCI requests in this proceeding. With the SBCIS Order, the FCC  
7       permitted a VOIP service provider to obtain number portability and it did not  
8       require that the location of the end user remain fixed before and after the port.  
9       With the MCI/TWCIS arrangement, the location of the end user will be the same  
10      before and after the number is ported.

11

12   **Q.    MS. WIMER STATES THAT THE FCC'S SBCIS WAIVER DOES NOT**  
13       **APPLY TO THE PORTING OF NUMBERS BETWEEN CARRIERS.**  
14       **(WIMER, P. 31) IS THIS AN ACCURATE STATEMENT?**

15   **A.**    No. A number that is ported from Ameritech Illinois, Pacific Telesis California or  
16       SBC Texas to SBCIS is ported between carriers.

17

18   **Q.    MS. WIMER STATES THAT THE FCC'S SBCIS WAIVER DOES NOT**  
19       **ALLOW SBCIS TO PORT TELECOMMUNICATIONS NUMBERS TO**  
20       **ITS VOIP SERVICE. (WIMER, P. 31) IS THIS AN ACCURATE**  
21       **STATEMENT?**

22   **A.**    No. SBCIS offers VOIP service. As such, most numbers ported to SBCIS are  
23       ported from a telecommunications number to a VOIP service.

1

2   **Q.    MS. WIMER STATES THAT IT IS UNCLEAR IF FEDERAL SLAMMING**  
3       **RULES APPLY TO A NON-TELECOMMUNICATIONS CARRIER.**  
4       **(WIMER, P. 30, LINE 10-12) IS THE APPLICATION OF FEDERAL**  
5       **RULES CONCERNING THE CHANGING OF LONG DISTANCE**  
6       **SERVICE (47 CFR SECTION 64, SUBPART K) RELEVANT TO THIS**  
7       **PROCEEDING)?**

8   **A.    No. Moreover, the extent to which 47 CFR Section 64, subpart K rules are**  
9       **applicable is a question to be decided by the FCC, which enacted these rules.**  
10       **Further, MCI and Horry have agreed upon language to provide proof of customer**  
11       **authorization of change in service should slamming be suspected for local**  
12       **customers. (see, ICA Ordering attachment, section 6.3.1)**

13

14   **Q.    MS. WIMER STATES THAT THE NON-DISCRIMINATORY NUMBER**  
15       **PORTING OBLIGATIONS DO NOT EXTEND TO VOIP SERVICE**  
16       **PROVIDERS. (WIMER, P. 33, LINES 1-5) WILL MCI PROVIDE NON-**  
17       **DISCRIMINATORY NUMBER PORTING?**

18   **A.    Yes. MCI will provide nondiscriminatory number porting in both directions (i.e.**  
19       **for customers switching from Horry (or any other LEC) to TWCIS and for**  
20       **customers switching from TWCIS to Horry (or any other LEC)).**

21

22   **Q.    IS THERE ANY LEGITIMATE REASON WHY MCI'S LNP LANGUAGE**  
23       **SHOULD NOT BE ADOPTED?**

1 A. No. The Commission should resolve issue 9 of this proceeding by adopting  
2 MCI's proposed agreement language. The language proposed by MCI in this  
3 proceeding is the same number portability language that MCI already has in  
4 effective interconnection agreements with over 30 ICOs throughout the United  
5 States.

6  
7  
8 **B. IDENTIFICATION OF THE CALLING PARTY**  
9

10 **ISSUE #1**  
11

12 **Issue:** Should companies be required to provide JIP information?  
13 (GT& C, section 9.5)

14  
15 **MCI position:** No. This is not a mandatory field. No other ILEC  
16 has asked that MCI provide this information, let  
17 alone on 90% of calls. The ATIS Network  
18 Interconnection Interoperability Forum is still  
19 working on rules for carriers choosing to populate  
20 this field for VOIP traffic and wireless carriers. The  
21 revised instructions for JIP for landline carriers was  
22 only released in December. MCI does not oppose  
23 putting "OR" as a condition of providing this or  
24 CPN on calls. But there is only a recognized  
25 industry standard to provide CPN currently.

26  
27 **ILEC position:** Horry believes this information is necessary to  
28 establish the jurisdiction of calls.  
29

30 **Disputed Language:** The Parties shall each perform traffic recording and  
31 identification functions necessary to provide the services  
32 contemplated hereunder. Each Party shall calculate  
33 terminating duration of minutes used based on standard  
34 automatic message accounting records made within each  
35 Party's network. The records shall contain the information  
36 to properly assess the jurisdiction of the call including ANI  
37 or service provider information necessary to identify the  
38 originating company, including **the JIP and** originating  
39 signaling information. The Parties shall each use

1 commercially reasonable efforts, to provide these records  
2 monthly, but in no event later than thirty (30) days after  
3 generation of the usage data.  
4

#### 5 ISSUE #6 6

7 **Issue:** Should Parties be required to provide (a) CPN and JIP; and  
8 (b) pay access charges on all unidentified traffic?  
9 (Interconnection, section 2.7.7)

10  
11 **MCI position:** MCI (a) is willing to provide CPN or JIP (but not both as  
12 the latter is an optional SS7 parameter. (No other ILEC has  
13 proposed that MCI must provide JIP) and (b) believes that  
14 all unidentified traffic should be priced at same ratio as  
15 identified traffic. A price penalty should not be applied for  
16 something MCI does not control. MCI is open to audits  
17 and studies by either Party if one or the other thinks the  
18 10% or more of traffic missing CPN information is an  
19 effort to avoid access charges.  
20

21 **ILEC position:** Horry believes it needs JIP and CPN data 90% of the time  
22 to determine jurisdiction and want to apply a penalty of  
23 paying access charges to encourage its provision when  
24 levels of unidentified traffic are above 10%.  
25

26 **Disputed Language:** If either Party fails to provide accurate If either Party fails  
27 to provide accurate CPN (valid originating information) or  
28 **and** Jurisdiction Information Parameter ("JIP") on at least  
29 ninety percent (90%) of its total originating INTRALATA  
30 Traffic, then traffic sent to the other Party without CPN or  
31 JIP (valid originating information) will be handled in the  
32 following manner. All unidentified traffic will be treated  
33 as having the same jurisdictional ratio as the ninety  
34 (90%) of identified traffic. The remaining 10 percent  
35 (10%) of unidentified traffic will be treated as having  
36 the same jurisdictional ratio as the ninety (90%) of  
37 identified traffic. If the unidentified traffic exceeds ten  
38 percent (10%) of the total traffic, all the unidentified  
39 traffic shall be billed at a rate equal to ILEC's  
40 applicable access charges. The originating Party will  
41 provide to the other Party, upon request, information to  
42 demonstrate that Party's portion of traffic without CPN  
43 or JIP traffic does not exceed ten percent (10%) of the  
44 total traffic delivered. The Parties will coordinate and

1 exchange data as necessary to determine the cause of the  
2 CPN or JIP failure and to assist its correction.

3  
4 **ISSUE #8**

5  
6 **Issue:** Should Parties have to provide the specified signaling  
7 parameters on all calls? (Interconnection, section 3.6)

8  
9 **MCI position:** No. Percentages for CPN have been set above and  
10 JIP is not mandatory. MCI will agree not to alter  
11 parameters received from others, but it cannot  
12 commit to more than 90% CPN.

13  
14 **ILEC position:** Yes. This information should be provided on all calls even  
15 though percentages set elsewhere are less than 100%.

16  
17 **Disputed Language:** Signaling Parameters: ILEC and CLEC are required to  
18 provide each other with the proper signaling information  
19 (e.g. originating accurate Calling Party Number, **JIP** and  
20 destination called party number, etc.) pursuant 47 C.F.R. §  
21 64.1601, to enable each Party to issue bills in an accurate  
22 and timely fashion. All Common Channel Signaling (CCS)  
23 signaling parameters will be **passed along as received**  
24 **provided** including CPN, JIP, Originating Line, Calling  
25 party category, Charge Number, etc. All privacy indicators  
26 will be honored

27  
28  
29  
30 **Q. WILL MCI COMPLY WITH ALL THE STANDARDS OUTLINED AT**  
31 **PAGE 12 OF MS. WIMER'S DIRECT TESTIMONY?**

32 **A.** Yes. As stated in my direct testimony, the JIP provided will be that associated  
33 with MCI's class 5 switch that routed the traffic and these switches are in Atlanta  
34 or Charlotte. However, as cited in my direct testimony, there are many reasons  
35 JIP should not be relied upon to rate traffic as Horry seeks to do with its proposed  
36 ICA language.

1

2   **Q.    AT PAGE 16 OF HER DIRECT TESTIMONY MS WIMER GOES ONE**  
3       **STEP FURTHER THAN THE STANDARDS SHE QUOTES ON PAGE 12**  
4       **AND PAGE 15, AND REQUESTS THAT MCI PROVIDE HORRY WITH A**  
5       **UNIQUE JIP FOR EVERY LATA SERVED BY ITS LOCAL SWITCHES.**  
6       **IS THE PROVISION OF A UNIQUE JIP FOR EVERY LATA SERVED BY**  
7       **A LOCAL SWITCH A REQUIRED INDUSTRY STANDARD?**

8   **A.    No.**

9

10   **Q.    WILL MCI PROVIDE A UNIQUE JIP FOR EVERY LATA SERVED BY**  
11       **EACH OF ITS LOCAL SWITCHES?**

12   **A.    No.**

13

14   **Q.    CAN MCI PROVIDE HORRY WITH A UNIQUE JIP FOR EVERY LATA**  
15       **SERVED BY EACH OF ITS LOCAL SWITCHES?**

16   **A.    No. MCI's local switches provide a single JIP. Doing so permits MCI's local**  
17       **switches to serve a large geographic area. As explained in my direct testimony, it**  
18       **would violate the FCC's Triennial Review Remand Order ("TRRO") for this**  
19       **Commission to require MCI to provide a unique JIP for every LATA served by its**  
20       **local switches.<sup>9</sup> As such, if the Commission were to permit Horry's proposed**

---

<sup>9</sup> See, In the Matter of Unbundled Access to Network Elements, Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, WC Docket No. 04-313, CC Docket No. 01-338, FCC 04-290, Order on Remand, February 4, 2005, paragraphs 207, 209, 222 and 223.

1 interconnection agreement language in this regard it would have the same effect  
2 as denying MCI the ability to interconnect with Horry.

3

4 **Q. AT PAGE 13 OF MS. WIMER'S TESTIMONY SHE STATES THAT BY**  
5 **BROAD REFERENCE JIP IS INCLUDED IN CERTAIN**  
6 **INTERCONNECTION AGREEMENTS WITH SPRINT, BELLSOUTH**  
7 **AND VERIZON. AS WAS DONE IN THESE OTHER AGREEMENTS,**  
8 **WILL MCI AGREE TO REFERENCE THE JIP STANDARD IN ITS**  
9 **INTERCONNECTION AGREEMENT WITH HORRY?**

10 **A.** Yes. However, as noted on page 12 of Ms. Wimer's testimony, the provision of a  
11 unique JIP for every LATA served by a local switch is not part of the industry  
12 standard and MCI will not agree to do this.

13

14 **Q. AT PAGE 16 OF MS. WIMER'S DIRECT TESTIMONY SHE STATES**  
15 **"ALL MCI HAS TO DO IS FOLLOW THE MANUFACTURER'S**  
16 **INSTRUCTIONS USING THESE LRNs AS THE JIP FOR CALLS**  
17 **ORIGINATED FROM THE CORRESPONDING LATAs" AND MCI'S**  
18 **SWITCH WOULD BE CAPABLE OF SUPPORTING MULTIPLE JIPs. IS**  
19 **THIS AN ACCURATE STATEMENT?**

20 **A.** No. As stated in my direct testimony, a requirement for a local switch to provide  
21 a unique JIP for every LATA served would cause many costs other than the direct  
22 cost caused by software changes to the switch. Requiring a local switch to

1 provide a unique JIP for every LATA served requires the switch to be partitioned  
2 and, as such, decreases the economies of scale of the switch. Instead of  
3 engineering and managing a single switch and set of trunk groups serving that  
4 switch, partitioning the switch for the provision of multiple JIPs would require  
5 that each partition of the switch be engineered and managed separately and each  
6 trunk group serving each partition to be constructed, engineered and managed  
7 separately.

8  
9 A network must be engineered and constructed to accommodate the peak load or  
10 "busy hour" (i.e. the highest possible volume at a given point of time) given an  
11 assumed maximum blocking level (i.e. you don't want too many customers  
12 getting "fast" busy signals). A general law of network engineering is that there is  
13 "safety in numbers". This means as volume increases variability of volume  
14 decreases. Conversely, as volume decreases, variability of volume increases. The  
15 more variable traffic is, the less efficient trunk groups and switching facilities can  
16 be engineered because more overhead must be built into the network to cover the  
17 more "peaked" demand.

18  
19 Thus the switch partitioning required by LATA specific JIPs would decrease  
20 switch and trunking efficiency, and increase per-unit switching costs and trunking  
21 costs. Further, significant additional network management and administration  
22 costs would be created, such as the creation and maintenance of LATA lookup  
23 tables on the front end of the switch, so that the traffic is routed to the correct



1 switch partition. The creation and maintenance of these tables would create cost  
2 and the use of these additional tables would slow down call processing and add  
3 cost.

4  
5 In summary, a requirement to provide a unique JIP for each LATA served by a  
6 local switch is not industry-standard, would significantly increase costs and would  
7 violate the FCC TRRO, which assumed CLECs would enjoy switching economies  
8 of scale caused by the large geographic reach of their switches.

9  
10 **Q. ARE THE PROVISIONS PROPOSED BY MCI FOR TRAFFIC RATING**  
11 **IN THIS ARBITRATION CONSISTENT WITH THE PROVISIONS**  
12 **CONTAINED IN RLEC AGREEMENTS WITH BELL SOUTH?**

13 A. Yes.

14  
15 **Q. ARE THE PROVISIONS PROPOSED BY HORRY FOR TRAFFIC**  
16 **RATING IN THIS ARBITRATION CONSISTENT WITH THE**  
17 **PROVISIONS CONTAINED IN RLEC AGREEMENTS WITH**  
18 **BELL SOUTH?**

19 A. No.

20

1    **Q.    DO RLEC AGREEMENTS WITH BELL SOUTH CONTAIN PROVISIONS**  
2           **TO HANDLE UNIDENTIFIABLE TRAFFIC?**

3    A.    Yes. RLECs in South Carolina have ICAs with BellSouth that contain provisions  
4           that require NPA/NXXs to be utilized in such a way so that local traffic can be  
5           distinguished from IntraLATA toll traffic, "regardless of the transport protocol  
6           method" used.<sup>10</sup> This is what MCI has agreed to do in this proceeding for non-  
7           ISP-Bound traffic. As such, Horry's positions on these issues are inconsistent  
8           with standard industry practice and unreasonable.

9  
10   **Q.    IS CALLING PARTY NUMBER ("CPN"), AND NOT JIP, STILL THE**  
11           **INDUSTRY STANDARD FOR CALL RATING?**

12   A.    Yes. Moreover, back office systems for billing, rating, and auditing are designed  
13           based on CPN, not on JIP. MCI will not alter the CPN. Except for ISP-bound  
14           calls, the CPNs Horry will receive as local/EAS calls should have addresses  
15           associated with them in the 911 databases so Horry can check if they have  
16           concerns the traffic is not local. If MCI's customers involved in local calls with  
17           Horry do not have their address in the database MCI would want to hear about it  
18           as this could be a significant customer safety problem. Further, the phantom  
19           traffic issue that Horry is concerned about is an open issue in the FCC's  
20           intercarrier compensation proceeding, and this is another reason the Commission  
21           should not adopt Horry's proposal on moving away from the national historical

---

<sup>10</sup> See, Hargray ICA at Attachment 3, section 6.2 and 3.2, Home ICA with BellSouth attachment 3, section 8.1 and 5.2 and PBT ICA with BellSouth, attachment 3, section 6.2.

1 practice of using CPNs for rating calls. The FCC may impose a different national  
2 methodology to deal with all types of traffic, which may or may not involve using  
3 multiple JIPs per switch. MCI would be willing to amend or modify its ICA with  
4 Horry if such action occurs and warrants.

5  
6 **Q. HAS HORRY PROVIDED ANY COMPELLING REASON FOR NEW**  
7 **PRECEDENT TO BE CREATED AND FOR THE COMMISSION TO GO**  
8 **BEYOND INDUSTRY STANDARDS AND REQUIRE LECs TO PROVIDE**  
9 **EACH OTHER WITH A UNIQUE JIP FOR EACH LATA SERVED BY A**  
10 **LOCAL SWITCH?**

11 A. No. Horry and JSI cite no law, rule or standard that requires LECs to provide  
12 each other with a unique JIP for each LATA served by a local switch and do not  
13 refute the statement I made in my direct testimony that the provision of a unique  
14 JIP for each LATA served by a switch will not solve the unidentifiable traffic  
15 problem that Horry claims to seek to address.

16  
17 **Q. YOU WERE ASKED BY COMMISSIONER CLYBURN DURING THE**  
18 **HARGRAY ARBITRATION HEARING, WHAT WOULD BE THE BEST**  
19 **WAY TO ADDRESS THE CALL RATING PROBLEMS ASSOCIATED**  
20 **WITH DETERMINING THE JURISDICTION OF TRAFFIC. MS.**  
21 **WIMER ALSO ASSERTS THAT CERTAIN RLECs IN SOUTH**  
22 **CAROLINA HAVE ACTUALLY IMPLEMENTED MULTIPLE JIP ON**

1       **THEIR SWITCHES. (WIMER, P. 15, LINES 13-15) CAN YOU ADDRESS**  
2       **MS. WIMER'S STATEMENT AND IN DOING SO, ALSO PROVIDE AN**  
3       **ANSWER TO COMMISSIONER CLYBURN'S QUESTION?**

4    A.    Yes.  Whether or not certain RLECs have implemented multiple JIP on their  
5           switches is not particularly relevant to the question if CLECs should be required  
6           to implement LATA-specific JIPs.  This is because RLECs are not new entrants,  
7           they benefit from the economies of scale of having all the traffic and their  
8           switches do not typically serve multiple LATAs.

9  
10          The most economic and efficient way to address the call rating problems  
11          associated with determining the jurisdiction of traffic is not to require CLECs to  
12          provide LATA-specific JIPs.  As I stated in my direct testimony, the provision of  
13          LATA-specific JIPs will not solve the problem Horry and the RLECs seek to  
14          address and would serve to discourage competitive entry.  The most economic  
15          and efficient way to address the call rating problems associated with determining  
16          the jurisdiction of traffic is for LECs to equalize all rates between jurisdictions.  If  
17          this was done existing rate discrimination and incentives for arbitrage would be  
18          eliminated.

19  
20          It would be reasonable to do this because a LEC's cost to switch a call does not  
21          vary by the end points of the call (i.e. switching cost does not vary by  
22          "jurisdiction").  As such, the rate charged to switch a local, EAS, intraLATA toll

1 and interLATA toll call should be the same. Any and all universal subsidies  
2 embedded in rates should be removed and made explicit. The practice of  
3 embedding universal service subsidies in certain rates and not in others, and  
4 charging different rates based on the jurisdiction of the call, is discriminatory and  
5 uneconomic. LECs have it within their power to fix this problem by removing  
6 implicit subsidies, making any subsidies explicit, and making the rates in all  
7 jurisdictions the same. The additional resources currently being used to maintain  
8 and police (e.g. tariff, measure, rate, bill, audit, manage) the current  
9 discriminatory rate structure are wasted resources. Instead of wasting more of  
10 society's resources by attempting do the impossible task of policing the  
11 uneconomic practice of rate discrimination (i.e. requiring unique JIPs for each  
12 LATA served by a local switch), LECs should eliminate the incentive for rate  
13 arbitrage and make switching rates in all jurisdictions the same.

14  
15 Further, it would not be in the public interest for the Commission to further waste  
16 society's resources and require unique JIPs for each LATA served by a local  
17 switch. Rate discrimination provides business and technology with additional,  
18 and uneconomic, incentives to develop ways to avoid the discrimination. For  
19 example, including universal service subsidies in the charges wireline long  
20 distance carriers have to pay for access to the local network has uneconomically  
21 shifted some demand from wireline to wireless long distance service. As such,  
22 inventing new ways to attempt to police rate discrimination is a fool's errand and

1 a waste of society's scarce resources. The proper solution for this problem is to  
2 eliminate the cause (i.e. the rate discrimination).

3  
4 **Q. HAS ANY OTHER STATE REQUIRED LECs TO PROVIDE A UNIQUE**  
5 **JIP FOR EACH LATA SERVED BY A LOCAL SWITCH?**

6 A. No. If the Commission were to require LECs to provide a unique JIP for each  
7 LATA served by a local switch a new incentive would be created for competitors  
8 and investment to stay away from South Carolina. This is another reason why  
9 such a requirement would not be in the public interest.

10  
11 **Q. DO RLECs OR THEIR AFFILIATES IN SOUTH CAROLINA HAVE ICAs**  
12 **WITH BELLSOUTH REQUIRE THE PROVISION OF LATA-SPECIFIC**  
13 **JIP?**

14 A. No.

15  
16 **Q. DO RLECs OR THEIR AFFILIATES IN SOUTH CAROLINA HAVE ICAs**  
17 **WITH BELLSOUTH CONTAIN PROVISIONS THAT REQUIRE**  
18 **CALLING PARTY NUMBER ("CPN") AND CALLED PARTY NUMBER**  
19 **("CdPN") TO BE USED TO RATE TRAFFIC?**

20 A. Yes.

1    **Q.    MS. WIMER STATES THAT HORRY DOES NOT PLAN ON CHARGING**  
2       **ACCESS CHARGES ON INTRALATA TOLL TRAFFIC, BUT PLANS**  
3       **THAT ALL SUCH TRAFFIC SHOULD BE TREATED AS**  
4       **INTERCONNECTION TRAFFIC AND HANDLED VIA "BILL AND**  
5       **KEEP" (SEE WIMER, PP. 22, LINES 2-3). IS THIS STANDARD**  
6       **INDUSTRY PRACTICE?**

7    A.   No. Typically, intraLATA toll traffic it is analyzed based on the CPN and CdPN.  
8       This is done to determine if the jurisdiction of calls is "Local" or "intraLATA  
9       toll," and access charges apply to the intraLATA toll traffic. Horry seeks to  
10      change this and pick and choose the types of traffic that access charges apply to  
11      and don't apply to. This activity would open up a new form of rate arbitrage and  
12      would not be fair. Horry's position that intraLATA toll traffic can be treated as  
13      reciprocal compensation "without a per minute of use charge" begs the question:  
14      if intraLATA toll traffic can be handled via bill and keep, why can't interLATA  
15      toll traffic be handled as bill and keep? Horry should not be permitted to change  
16      the rules where such changes would only financially benefit them.

17   **Q.    MS. WIMER ATTEMPTS TO REPRESENT THAT THE APPLICATION**  
18       **OF ACCESS CHARGES TO UNIDENTIFIABLE TRAFFIC IS NOT A**  
19       **PENALTY. (WIMER, P. 20, LINES 11-13) IS THAT AN ACCURATE**  
20       **REPRESENTATION?**

21   A.   No. Charging approximately 2000 percent more for traffic if it is unidentifiable  
22      and exceeds 10 percent of total traffic is a significant penalty and this is what  
23      Horry proposes.

1

2   **Q.   MS. WIMER STATES THAT, SINCE MCI HAS COMPLETE CONTROL**  
3       **OVER THE INTRALATA TRAFFIC DELIVERED TO HORRY, A 90%**  
4       **JIP AND CPN FACTOR, AND THE ACCESS CHARGE PENALTY ARE**  
5       **REASONABLE. (WIMER, P. 20) DO YOU AGREE?**

6   A.   No. This is not reasonable because Horry does a bait and switch between its  
7       argument in the testimony and its proposed agreement language. In its argument,  
8       Horry states "JIP should be on 100% of the calls". (Wimer, p. 20). MCI has no  
9       dispute with this statement or requirement, as far as it goes. Barring intermittent  
10      technical problems, the JIP will be on 100% of the calls that MCI passes to Horry.  
11      (see, Wimer, p 21, line 14-15) However, Horry ties all this to a requirement that  
12      MCI provide a unique JIP for each LATA served by each local switch. This is  
13      not reasonable for the many reasons I have already stated, nor is it required by  
14      industry standards. A LATA-specific JIP will not be on any of the calls MCI  
15      passes to Horry, and as such Horry may deem all of MCI's traffic to be  
16      unidentifiable and subject to the 2000 percent access charge penalty.

17

18   **Q.   WHAT SHOULD THE COMMISSION DO TO RESOLVE ISSUES #1, #6**  
19       **AND #8?**

20   A.   Horry has provided no compelling reason for the Commission to establish new  
21       precedent and require LECs to provide a unique JIP for each LATA served by a  
22       local switch, while MCI has provided numerous compelling reasons why such a



1 requirement would not be in the public interest. MCI will comply with all  
2 industry standards in this regard. Horry has not provided any compelling reason  
3 why it should be permitted to pick and choose where and when access charges  
4 should apply or why a 2000 percent penalty should be assessed on unidentifiable  
5 traffic. As such, the Commission should adopt MCI's proposed interconnection  
6 agreement language for issues 1, 6 and 8.

7  
8 **D. INTERCARRIER COMPENSATION FOR ISP-BOUND TRAFFIC**  
9 **WITH VIRTUAL NXX CODES,**  
10 **AND FOR OUT-OF-BALANCE TRAFFIC**  
11 **ISSUE #3**  
12

13 **Issue:** Is ISP traffic in the Commission's or FCC's jurisdiction in  
14 terms of determining compensation when FX or virtual  
15 NXX service is subscribed to by the ISP? (GT&C,  
16 Glossary, sections 2.25, 2.28 and 2.34)

17  
18 **MCI position:** See Issue No. 4 (b). ISP traffic is in the FCC's jurisdiction  
19 and subject to reciprocal compensation treatment pursuant  
20 to its ISP Remand Order as amended by the CoreCom  
21 decision. The Texas PUC recently clarified that its order  
22 applying access charges to CLEC FX traffic only applied to  
23 non-ISP traffic and that the FCC's ISP Remand order  
24 applies to ISP traffic. While MCI believes that it is  
25 discriminatory to allow ILECs to rate their FX and virtual  
26 NXX traffic as local when CLECs are not allowed to do the  
27 same, it will not litigate this issue, as concerns Horry, for  
28 non-ISP traffic in light of the Commission's previous  
29 decisions. However, MCI reserves the right to have its FX  
30 and virtual NXX services rated as local if the FCC  
31 preempts the subset of states that have inconsistent rulings  
32 on the rating of CLEC FX or virtual NXX services.  
33

34 **MCI Language:** INTRALATA TRAFFIC Telecommunications traffic that  
35 originates and terminates in the same LATA, including but  
36 not limited to IntraLATA toll, ISP bound and Local/EAS.  
37 **ISP bound traffic will be rated based on the originating**  
38 **and terminating NPA-NXX.**

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ISP-BOUND TRAFFIC

ISP-Bound Traffic means traffic that originates from or is directed, either directly or indirectly, to or through an information service provider or Internet service provider (ISP) that may be physically located in the Local/EAS area of the originating End User Customer or has purchased FX service from the CLEC. The FCC has jurisdiction over ISP traffic and sets the rules for compensation for such traffic

LOCAL/EAS TRAFFIC

Any call that originates from an End User Customer physically located in one exchange and terminates to an End User Customer physically located in either the same exchange or other mandatory local calling area associated with the originating End User Customer's exchange as defined and specified in ILEC's tariff. ISP-bound traffic may be carried on local interconnection trunks but will be rated based on the originating and terminating NPA-NXX

**ILEC position:**

See Issue No. 4 (b)

The Commission's orders cover ISP-bound traffic in saying access charges apply to virtual NXX traffic. ISP traffic should be based on the physical location of the customer otherwise access charges apply.

**ILEC Language:**

INTRALATA TRAFFIC Telecommunications traffic that originates and terminates in the same LATA, including but not limited to IntraLATA toll, ISP bound and Local/EAS.

ISP-BOUND TRAFFIC

ISP-Bound Traffic means traffic that originates from or is directed, either directly or indirectly, to or through an information service provider or Internet service provider (ISP) who is physically located in an exchange within the Local/EAS area of the originating End User Customer. Traffic originated from, directed to or through an ISP physically located outside the originating End User Customer's Local/EAS area will

1 be considered switched toll traffic and subject to access  
2 charges.  
3

4  
5 LOCAL/EAS TRAFFIC  
6

7 Any call that originates from an End User Customer  
8 physically located in one exchange and terminates to an  
9 End User Customer physically located in either the same  
10 exchange or other mandatory local calling area associated  
11 with the originating End User Customer's exchange as  
12 defined and specified in ILEC's tariff.  
13

14 ISSUE #4(B)  
15

16 **Issue:** Should MCI have to provide service (b) only to End Users  
17 physically located in the same LATA to be covered by this  
18 agreement? (Interconnection, section 1.1)  
19

20 **MCI position:** (b) No. As stated with regard to issue #8, ISP-bound traffic  
21 is under the FCC's jurisdiction, and it never said its ISP  
22 reciprocal compensation orders do not apply to virtual  
23 NXX traffic. FX/ISP provider customers do not have to be  
24 physically located in the LATA to be treated the same as  
25 voice traffic. The FCC has established a compensation  
26 regime for ISP traffic that does not require payment of  
27 access charges.  
28

29 **ILEC position:** MCI must be providing service directly to End  
30 Users physically located in the LATA. No law says  
31 Horry cannot limit interconnection agreements to  
32 non-wholesale arrangements. Also, the  
33 Commission's rulings on "virtual NXX traffic"  
34 apply to ISP-bound traffic too. The FCC's ISP  
35 Remand Order never discussed ISP FX arrangement  
36 specifically so Horry does not believe the FCC's  
37 compensation regime for ISP-bound traffic applies.  
38

39 **Disputed Language:** This Interconnection Attachment sets forth specific terms  
40 and conditions for network interconnection arrangements  
41 between ILEC and CLEC for the purpose of the exchange  
42 of IntraLATA Traffic that is originated by an End User  
43 Customer of one Party and is terminated to an End User  
44 Customer of the other Party, **where each Party directly**  
45 **provides Telephone Exchange Service to its End User**

1 Customers physically located in the LATA. This  
2 Agreement also addresses Transit Traffic as described in  
3 Section 2.2 below. This Attachment describes the physical  
4 architecture for the interconnection of the Parties facilities  
5 and equipment for the transmission and routing of  
6 Telephone Exchange Service traffic between the respective  
7 End User Customers of the Parties pursuant to Sections  
8 251 (a) and (b) of the Act.  
9

10 ISSUE #5  
11

12 **Issue:** Should all intraLATA traffic be exchanged on a bill and  
13 keep basis or should reciprocal compensation apply when  
14 out of balance? (Interconnection, section 2.4)

15  
16 **MCI position:** MCI believes reciprocal compensation rates should apply  
17 for ISP and non-ISP Local /EAS traffic if out of balance  
18 traffic (60/40). MCI believes the recent CoreCom ruling  
19 allows it to seek reciprocal compensation for ISP traffic in  
20 new markets.  
21

22 **ILEC position:** Horry believes all traffic should be bill and keep.  
23

24 **Disputed Language:** The Parties agree to only route IntraLATA Traffic over the  
25 dedicated facilities between their networks. InterLATA  
26 Traffic shall be routed in accordance with Telcordia Traffic  
27 Routing Administration instruction and is not a provision of  
28 this Agreement. Both Parties agree that compensation for  
29 intraLATA Traffic shall be in the form of the mutual  
30 exchange of services provided by the other Party with no  
31 additional billing if the traffic exchange is in balance.  
32 Traffic is considered out-of-balance when one Party  
33 terminates more than 60 percent of total Local/EAS  
34 traffic exchanged between the Parties. The Parties also  
35 agree that the compensation for ISP-bound traffic when  
36 out of balance is governed by the FCC's orders on  
37 compensation for ISP-bound traffic, specifically (1) the  
38 so-call ISP Remand Order [Intercarrier Compensation  
39 for ISP-based Traffic, Docket No. 99-68, Order on  
40 Remand and Report and Order, 16 FCC Rcd 9151 (2001)]  
41 and (2) the modifications to that order made in the FCC's  
42 decision on Core Communications' forbearance request  
43 (Petition of Core Communications, Inc. for Forbearance  
44 Under 47 U.S.C. Paragraph 161 (c) from Application of

1 the ISP Remand Order, WC Docket No. 03-171, released  
2 October 18, 2004). Traffic studies may be requested by  
3 either party to determine whether traffic is out of  
4 balance. Such traffic studies will not be performed more  
5 than four times annually. Should a traffic study indicate  
6 that Local/EAS/ISP-bound traffic exchanged is out-of-  
7 balance, either Party may notify the other Party that  
8 mutual compensation between the Parties will commence  
9 in the following month. The Parties agree that charges  
10 for termination of Local/EAS and ISP-bound Traffic on  
11 each Party's respective networks are as set forth in the  
12 Pricing Attachment. related to exchange of such traffic  
13 issued by either Party except as otherwise provided in  
14 this Agreement.  
15

16  
17 **ISSUE #10**

18  
19 **Issue:** What should the reciprocal compensation rate be for out-of-  
20 balance Local/EAS or ISP-bound traffic? (Pricing, D)

21  
22 **MCI position:** This is the rate set in the FCC's order on reciprocal  
23 compensation rates.

24  
25 **ILEC position:** No rate.

26  
27 **Disputed Language:** \$0.0007  
28

29 **Q. BASED ON HORRY'S TESTIMONY, WHAT APPEARS TO BE THE**  
30 **DISAGREEMENT BETWEEN THE PARTIES?**

31 A. JSI and Horry concede that the FCC has jurisdiction of ISP-bound traffic. Horry  
32 concedes that the FCC has concluded that ISP-bound traffic is "largely interstate."  
33 Horry also concedes that the FCC has determined the \$.0007 rate, paid by the  
34 originating carrier to the terminating carrier, for ISP-bound traffic. Horry,  
35 however, distinguishes between ISP-bound traffic that is admittedly "interstate,"  
36 but is directed to modems within the local calling area of the calling party, and

1       ISP-bound traffic that is "interstate" and is directed to modems in a LATA other  
2       than that of the calling party. In either instance, Horry, when originating the call,  
3       incur the same cost, and in either instance MCI would have its point of  
4       interconnection at Horry's switches and would incur the costs of the call beyond  
5       that point. Yet Horry wants access charges if the modem to which the call is  
6       directed is outside the calling party's LATA, while conceding that they will pay  
7       the \$.0007 rate to MCI if the call is directed to a modem inside the LATA.

8

9       **Q.   DID THE FCC LIMIT THE APPLICATION OF ITS ISP REMAND**  
10       **ORDER TO MODEMS LOCATED IN THE LOCAL CALLING AREA OF**  
11       **THE CALLING PARTY?**

12      A.   No, and it would not have made sense for it to have done so, given the goals of  
13       encouraging the growth of advanced services, as well as given the "interstate"  
14       nature of ISP-bound traffic, wherever it is directed. "Local calling area" is thus a  
15       short-hand term used by the FCC for calls that, while "local" to the caller  
16       (because of the NPA-NXX dialed), are nonetheless "interstate."

17

18      **Q.   HORRY STATES THAT CLECS HAVE CONTENDED THAT CALLS TO**  
19       **ISPS ARE LIKE CALLS TO "PIZZA PARLORS" AND, THEREFORE,**  
20       **ONLY ISP-BOUND TRAFFIC DIRECTED TO MODEMS WITHIN THE**  
21       **LOCAL CALLING AREA IS SUBJECT TO THE FCC'S RATE.**  
22       **(MEREDITH, P. 27) HOW DO YOU RESPOND?**

1 A. It is not clear to what Mr. Meredith refers, but several years ago CLECs  
2 contended that calls to ISPs had two components, a telecommunications call  
3 terminated by the LEC serving the ISP, and an information service component.  
4 CLECs used various analogies to illustrate the telecommunications component for  
5 the call, including the pizza parlor analogy. The FCC rejected the "two  
6 component" concept and, instead, has characterized calls to ISPs as "information  
7 access service" that, as stated above, falls within the FCC's jurisdiction as  
8 interstate traffic.

9  
10 **Q. HORRY STATES THAT, AS REGARDS ISSUE #10, THAT A**  
11 **RECIPROCAL COMPENSATION RATE FOR VNXX TRAFFIC BOUND**  
12 **FOR AN ISP WAS NOT NEGOTIATED AND THEREFORE IT IS NOT**  
13 **RIPE FOR ARBITRATION. (MEREDITH, P. 35) HOW DO YOU**  
14 **RESPOND?**

15 A. This issue was extensively discussed with JSI in Docket No. 2005-67-C  
16 arbitration that went to hearing before the Commission in June of this year. The  
17 appropriate compensation for VNXX traffic bound for an ISP was negotiated and  
18 is properly presented to the Commission for arbitration. In regards to issue #10,  
19 MCI requested in negotiations that the provisions of the FCC's ISP Remand  
20 Order apply and Horry requested that VNXX traffic bound for an ISP be treated  
21 the same as non-ISP Bound traffic for call rating purposes

22

1    **Q.    MR. MEREDITH ARGUES THAT THE \$0.0007 RATE IN THE FCC'S ISP**  
2       **REMAND ORDER FOR ISP-BOUND TRAFFIC SHOULD NOT APPLY**  
3       **TO TRAFFIC BOUND FOR AN ISP THAT USED A VIRTUAL NXX**  
4       **NUMBER. (MEREDITH, P. 35) WHAT IS YOUR RESPONSE?**

5    A.    Mr. Meredith is wrong. The fact that Horry may not have "opted into the FCC's  
6       interim compensation mechanism" (Meredith, p. 36, line 1) would only mean that  
7       the significantly higher interstate access charges might apply to this traffic. It  
8       would not mean bill and keep would apply as Horry requests in resolution of issue  
9       #5. MCI is being generous to Horry in this regard by limiting its reciprocal  
10      compensation rate for ISP-Bound traffic to \$0.0007.

11  
12       As discussed with respect to issue #4(b), the FCC has stated that calls to ISPs are  
13       "interstate" and within the FCC's jurisdiction. Notwithstanding, the FCC has  
14       always contemplated that such "interstate" calls are appropriately within the scope  
15       of interconnection agreements, which deal with "local" traffic, and local  
16       interconnection trunks. Horry is attempting to draw distinctions between  
17       "interstate" traffic that goes to a modem physically located in the caller's local  
18       calling area, and "interstate" traffic that goes to a modem physically located  
19       outside of the caller's local calling area. There is no meaningful distinction  
20       between the two, and to suggest that the FCC somehow meant to limit its rulings  
21       to "interstate local" traffic defies logic. The effect of the ruling urged by Horry  
22       would be that its customers would not have access to sources of advanced  
23       services other than from the itself (and, of course, that Horry's customers also



1 would not be interconnected to MCI's end users or TWCIS' customers). This  
2 would be unreasonable and anti-consumer. As such, MCI's proposed ICA  
3 language for issue #4(b) should be adopted.  
4

5 **Q. DOES HORRY OFFER ISP SERVICE THAT WOULD COMPETE WITH**  
6 **THE SERVICE MCI DESIRES TO OFFER CUSTOMERS?**

7 A. Yes. As shown on Exhibit GJD-5 attached, Horry's affiliate, Spirit Telecom  
8 offers ISP service. As such, the ICA language that Horry proposes would protect  
9 its business from competition.  
10

11 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

12 A. Yes.  
13

**BEFORE THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION**

In Re: Petition of MCImetro Access Transmission )	
Services, LLC for Arbitration of Certain Terms )	Docket No. 2005-188-C
and Conditions of Proposed Agreement with )	
Horry Telephone Company, Concerning )	
Interconnection and Resale under the )	
Telecommunications Act of 1996 )	

**CERTIFICATE OF SERVICE**

I, Betty J. DeHart of Woodward, Cothran & Herndon, Attorneys for MCI, Inc., do hereby certify that I have served a copy of the Rebuttal Testimony of Greg Darnell by causing to be deposited in a United States Postal Service mailbox copies of the same, postage prepaid, and via email, addressed to the persons indicated below.

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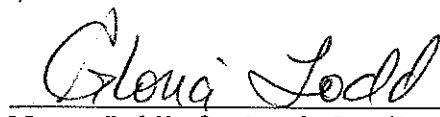
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Betty J. DeHart

SWORN to before me this

16<sup>th</sup> day of September, 2005.

  
Notary Public for South Carolina (L.S.)  
My Commission Expires: 07/25/15